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of freighting, by one great trust, ought to complete its system by bringing labor into the arrangement as well as the railways and shippers. I say further that this very legislation by the federal government, instead of being, as I have characterized it, a step into state socialism, may be one out of it. I would rather have it that way. (If, as some claim, we are legislating the railroads out of state socialism, let us legislate labor out of state socialism as well.

THE UNEMPLOYED.

BY DAVIS R. DEWEY, PH.D.,

Professor of Economics and Statistics at the Massachusetts Institute of Technology, and Chairman of the Massachusetts State Board appointed to Investigate the Subject of the Unemployed.

The development of the present phase of the problem, "The Unemployed," has been a rapid one. Whether the number of the unemployed be greater than formerly or not, the problem is assuming new importance throughout Europe, Australia, and this country. Extraordinary measures of emergency relief have been set in motion, not only in England, but in Germany and Australian cities.

In Massachusetts a State Commission was authorized by legislative act in the early summer and this Board will report upon the following subjects: 1st. The emergency relief measures of 1893-4, particularly in Massachusetts; 2d. The possibility of adjusting the demand and supply of labor through public employment bureaus; 3d. The demand and supply of farm labor; 4th. Public relief works and direct employment by municipalities; 5th. Separation of the tramp class from

the involuntary idle; 6th. The relation of convict labor to non-employment.

A fundamental question is whether the unemployed as existing to-day is a new class or composed of different elements from what characterized it a generation or a century ago. Is the term "Unemployed" simply another name for the term "The Poor"? Classifications of the unemployed as given in the reports of recent European commissions imply that not only the idle and improvident, but the thrifty are included among the unemployed.

There is little statistical information upon the amount of non-employment. Such as there is is found in the reports of some of the English trade unions, the Massachusetts State Census of Unemployment of 1885, and the Annual Statistics of Manufacturing Establishments in Massachusetts. Little reliance can be placed upon various non-official estimates made by police authorities or mercantile agencies. As statistical information is wanting it is necessary to fall back upon an analysis of industrial conditions in order to frame a working hypothesis as to whether there may be any increase in the number of unemployed. Various forces are recognized as contributory causes of non-employment. The position of conservative economic literature is that, on the whole, inconstancy of employment is not increasing. There are various criticisms of this position. The introduction, for example, of new machinery is a more serious matter to the individual workman than a generation ago, as manufacturing is carried on in larger individual plants, and, taking the whole population into account, is concentrated into fewer geographical points. Displacement, therefore, is accompanied by a greater shock.

Favorable competition is more and more dependent upon the best and latest machinery. Machinery at the same time has introduced regularity into many departments of industrial life. The productive power and the ambitions of the workman have been enlarged and interruption is the more unexpected and exasperating.

Again, the more rapid changes in the introduction of machinery or of juvenile, female, or foreign labor afford an increasing opportunity for a resifting of the laborers and a constant relegation to the rear of the incompetents. The unfit were never more sharply set aside than under the present conditions. The increasing employment of women, the more general geographical adherence to the dictates of fashion and the wholesale migration of large business enterprises, as well as the influence of unskilled immigration and the fluctuations in demand due to expansion of markets, are contributory causes acting in a different way than a generation ago.

The remedies for the relief of the unemployed are of two kinds, temporary—in cases of emergency,—and permanent measures, by which irregularity of employment may be reduced or may be more easily borne. The temporary measures of last year are grouped into five classes: 1st. The permanently established relief agency of town and state such as the poor department; 2d. Other city departments as those of public works temporarily used for furnishing relief in the form of wages; 3d. Private charities; 4th. Special relief committees; 5th. Labor organizations.

Discussion.

Dr. L. S. Rowe: If I have understood Dr. Dewey correctly, he regards the possibility of employment in the

country districts as an important factor in the problem of the unemployed. The experience of other countries may throw considerable light upon this question. During the winter of 1891-92, the army of unemployed in foreign cities had reached startling proportions. I happened to be at Berlin at that time, where there was serious danger of extensive riots. An Employment Bureau was immediately established which enjoyed the active coöperation of the city authorities. It was found that the great landed proprietors in the Northern Provinces were suffering from a dearth of laborers. When, however, an attempt was made to fill these places, those fitted for farm work refused to leave the city, and the few who were willing showed but little aptness for the work required. The advisability of restricting the right of change of domicile was seriously discussed in governmental circles. Should the country laborer be permitted to migrate to the cities without any visible means of support and, with the first period of industrial depression, to become a charge on the community? This, it seems to me, is one of the important questions which the Massachusetts Commission will have to face.

Professor Dewey: This question proposed by Mr. Rowe is not discussed in my paper. Personally I do not believe that men can compulsorily be sent from one part of the country to the other, or from the city to the country, by any state agency.

As to the kind of labor, whether skilled or unskilled, we have found that farmers will take the unskilled unemployed, provided that they are willing and temperate. They prefer native Americans to foreigners. In Massachusetts we were told that there are some in the city who are willing to go to the country even though they have never lived there. Many of these have found that

their lives in the city are failures, and that they cannot make a comfortable livelihood. They are willing to make a change in the hope that it might be an improvement. I myself am opposed to any compulsory movement of residents of the city to the country, or *vice versa*, further than such compulsion may be employed as a test to try the sincerity of the applicant for work.

Professor E. R. L. Gould: I have no doubt of the willingness of many farmers to take unskilled laborers upon their farms, but I have grave doubt of the willingness of men who have been used to city life to go upon the farms. The excitements of the city are too attractive. In my personal experience in work with the Central Relief Committee in Baltimore I met with many illustrations of this fact. To mention one: The owner of a large farm some eighteen miles from Baltimore wished four men. Our office picked out some twenty men who had worked in the city and who had shown by their work that they were fairly capable and earnest men. The terms offered were these: The woman owning the farm wishing men with families, guaranteed that every child of twelve years of age or upward should earn from a dollar to a dollar and a half a day in gathering fruit during the regular season, and at other times of the year could probably earn something; the man, the head of the family, was to have two dollars a day in the summer and during the winter season from \$1.00 to \$1.25; a comfortable house would be furnished the family to live in at a rent of two dollars a month. Of the twenty men selected seven said that they were willing to go and make a trial. As a matter of fact three went but only one remained.

The problem Professor Dewey has presented seems to me fundamentally an educational problem. As indus-

trial society progresses machinery becomes an increased factor in production and the temporary displacement of labor is continually greater. What we particularly need for working men is adaptability, so that a change can be made with comparative readiness or at least without serious results. At present trade schools fit young men simply for one line of work. Manual training and general industrial training give adaptability. It seems to me that we must look to the latter to help us more than a little in rectifying or at least mitigating conditions which help to swell the number of the unemployed.

Professor C. S. Walker: We cannot in agriculture find the remedy for the condition of the unemployed, because men prefer the city to the farm. To work a farm successfully one must have good general training. The boy brought up on the farm makes the best farmer. Such a boy may make also a good artisan, but the boy trained in the shop cannot meet the varied demands of farm labor.

The margin of profit on the farm is less than a dollar a day. The city man who has worked for two dollars a day, with the advantages of society in the city added, will not go to the country to work for half the wage, when he can have only a lonely life of self-denial.

I lately had a talk with a successful farmer of Massachusetts. He could afford to pay only thirty dollars a month to a first class man. If the present decline in prices continues, he must cut wages still lower. He could not afford to hire men to carry on his large dairy; he therefore sold his cows and, buying fertilizers, saves the wages of several men. Only by such means can he make a living profit. If this farmer of superior ability and opportunity can only barely make a living under

present conditions, there is little hope that the unemployed of the city will succeed on the farm.

Throughout New England there are many abandoned farms. Immigrants used to intensive farming, willing to take abandoned farms, able to live on little for the sake of being independent, may succeed. If such city folks would come to the country, all concerned would be benefitted. On large farms to pay taxes they must work many days for the state. But on small tracts, with low taxes, by intensive farming, they will do well. For others who will not do this there can be no relief on the farm.

Professor John Franklin Crowell: Economists apparently do not realize that agricultural life has a distinct economic organization as compared with the city.

Can the unemployed city population be disposed of in the agricultural communities?

Not on any considerable scale: existing social and economic conditions forbid it. Not that agriculture is an all-year-round drudgery, as the previous speaker seemed to imply; farmers work about 200 days per year. During four-ninths of the year there is practically no demand for extra labor. Nor is the country attractive to the unemployed of the city.

Any solution as between city and country must include the growth of suburban enterprises, the building of industrial villages, better transit between city and country and larger investment in specific forms of agriculture.

Professor Dewey: I find from the discussion that my paper has been misunderstood. The Massachusetts commission has not expected that there would be any great transference of labor from the city to the country. There could be, of course, a transference of

only a few men. The commission had never thought or expected that the problem was to be solved in this way, and that many would go; but a few of them will go and this small transference will give some relief. We have facts to prove this. I regret that the discussion has turned so much on the question of remedies. It seems to me that at present we need rather to answer the question, Who are the unemployed?

POPULATION AND CAPITAL.

BY ARTHUR T. HADLEY, M.A., PROFESSOR OF ECONOMICS IN YALE UNIVERSITY.

The paper is published in full in volume IX, nos. 5-6. Its leading points were as follows.

1. The Malthusian theory and the theory of capital can only be understood in immediate connection with one another.

2. In the very beginnings of capital some limitation of population was absolutely necessary. The earliest forms of limitation were infanticide and maternal control. Both of these were defective in not ensuring accumulation—they checked consumption but did not stimulate production.

3. The paternal family created a possibility of accumulating capital, and in its more modern forms gave a powerful stimulus to production. It also paved the way for natural selection of prudent men and prudent races and elimination of the emotional and the imprudent.

4. It is under the conditions created by the paternal family and the modern system of control of capital that the Malthusian theory is true. Malthus made the mistake of assuming that the truths in his theory were too